

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 2/29/2004

	As of <u>2-29-04</u>	As of <u>6-30-03</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,506,088,333	\$ 1,293,274,762
INTERNATIONAL EQUITIES	689,471,363	560,765,217
DOMESTIC FIXED INCOME	1,240,381,895	1,136,499,399
INTERNATIONAL FIXED INCOME	129,853,817	110,380,109
REAL ESTATE POOL	184,967,964	168,299,583
VENTURE CAPITAL	118,024,826	103,782,691
INVESTED CASH (NOTE 1)	<u>109,323,315</u>	<u>80,246,521</u>
 TOTAL INVESTMENTS	 3,978,111,513	 3,453,248,282
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	14,248,914	14,239,321
CONTRIBUTIONS/ASSESSMENTS REC	5,010,382	6,260,471
MISCELLANEOUS RECEIVABLES	<u>694</u>	<u>43,806</u>
 TOTAL RECEIVABLES	 19,259,990	 20,543,598
OTHER ASSETS		
OPERATING CASH (NOTE 2)	7,479,313	7,521,244
DUE FROM OTHER AGENCIES (NOTE 3)	52,702	54,660
FIXED ASSETS (NET) (NOTE 4)	<u>3,414</u>	<u>3,414</u>
 TOTAL ASSETS	 <u>\$ 4,004,906,932</u>	 <u>\$ 3,481,371,198</u>
LIABILITIES:		
ACCOUNTS PAYABLE	2,137,185	2,220,333
ACCRUED EXPENSES	306,379	379,377
DUE TO OTHER AGENCIES (NOTE 5)	<u>52,703</u>	<u>54,660</u>
 TOTAL LIABILITIES	 2,496,267	 2,654,370
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,478,716,828	3,346,332,984
CASH IN DURING YEAR (NOTE 6)	185,824,521	264,797,201
CASH OUT DURING YEAR (NOTE 7)	176,984,417	288,420,000
NET INCREASE (DECREASE)	<u>514,853,733</u>	<u>156,006,643</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,002,410,665</u>	 <u>3,478,716,828</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 4,004,906,932</u>	 <u>\$ 3,481,371,198</u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 2/29/2004

	Month Ended <u>2-29-04</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 8,083,069	\$ 75,322,049
SECURITIES LENDING INCOME	318,340	2,216,175
	<u>8,401,409</u>	<u>77,538,224</u>
 GAIN ON SALE OF INVESTMENTS	 36,905,773	 290,285,468
LOSS ON SALE OF INVESTMENTS	<u>18,622,806</u>	<u>184,766,862</u>
 NET GAINS (LOSSES) INVESTMENTS	 18,282,967	 105,518,606
 INVESTMENT EXPENSES	 2,141,291	 7,706,886
SECURITIES LENDING EXPENSES	<u>253,464</u>	<u>1,733,187</u>
 NET INVESTMENT INCOME	 24,289,621	 173,616,757
 NET APPREC (DEPREC) MARKET VALUE	 21,542,148	 358,484,957
MISCELLANEOUS INCOME/(EXPENSE)	<u>203,340</u>	<u>33,287</u>
 TOTAL INVESTMENT INCOME	 46,035,109	 532,135,001
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,354,194	 33,589,568
PURCHASED SERVICE CREDIT (NOTE 9)	317,547	2,642,918
PENALTY & INTEREST (NOTE 10)	<u>4</u>	<u>(179)</u>
 TOTAL ADDITIONS	 <u>51,706,854</u>	 <u>568,367,308</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,398,466	51,163,210
REFUNDS TO MEMBER (NOTE 12)	<u>228,211</u>	<u>1,468,205</u>
 TOTAL BENEFITS PAID	 6,626,677	 52,631,415
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	73,142	557,929
OPERATING EXPENSES	35,253	324,231
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>108,395</u>	 <u>882,160</u>
 TOTAL DEDUCTIONS	 <u>6,735,072</u>	 <u>53,513,575</u>
 NET INCREASE (DECREASE)	 <u>\$ 44,971,782</u>	 <u>\$ 514,853,733</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
February 29, 2004

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
2/29/2004

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.